



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Public Hearing to consider the Net Energy Metering Rate Ordinance (NEM) (EUD)

MEETING DATE: April 16, 2003

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council consider the Net Energy Metering Rate Ordinance (NEM).

BACKGROUND INFORMATION: The City of Lodi Electric Utility Department (EUD) is required by State of California Legislation (AB 58) to offer to customers who install qualified solar and wind generation what is termed a "net metering" rate. This rate provides a benefit to customers who self generate electricity by wind and solar means at the value proscribed by legislation. In addition, the legislation proscribes metering and billing requirements for the NEM customers.

The proposed new NEM ordinance that is introduced at this meeting incorporates these mandated requirements. Qualified customers total capability cannot exceed .5% of utility peak load capacity, therefore, the anticipated effect of this rate is very limited.

FUNDING: None required.

A handwritten signature in cursive script, reading "Alan N. Vallow".

Alan N. Vallow
Electric Utility Director

PREPARED BY: Boris Prokop, Power Supply and Rates Manager

ANV/BP/lst

C: City Attorney
Finance Director

APPROVED:

A handwritten signature in cursive script, reading "H. Dixon Flynn".
H. Dixon Flynn - City Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
LODI AMENDING TITLE 13, CHAPTER 13.20 "ELECTRICAL
SERVICE" BY ADDING SECTION 13.20.225 SCHEDULE NEM –
NET ENERGY METERING

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BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

SECTION 1. Section 13.20.225 is hereby added to the Lodi Municipal Code to read as follows:

**Schedule NEM
NET ENERGY METERING**

APPLICABILITY:

This net metering schedule is applicable to a residential and/or small commercial customers who meet the requirements of State of California law for net metering eligibility for small scale solar or wind turbine electrical generating facility, or a hybrid system of both, that is located on the customer's premises, operates in parallel with the electric grid, and is intended primarily to offset part or all of the customer's own electrical requirements (hereinafter "eligible customer-generator"). Availability of this schedule to eligible customer-generators will be on a first-come, first-served basis and will be available until such time the total rated generating capacity used by eligible customer-generators equals one-half of 1 percent of the City of Lodi aggregate customer annual peak demand. A generation agreement with the customer will specify the eligibility requirements and assist in determining eligibility.

TERRITORY:

The entire area served by the City of Lodi Electrical Utility Department.

RATES:

All rates charged under this schedule will be in accordance with the eligible customer-generator's otherwise-applicable residential or commercial rate schedule. An eligible customer-generator served under this schedule is responsible for all charges from its otherwise-applicable rate schedule including monthly customer charges. Charges for electricity supplied by the City will be based on the net-metered usage in accordance with Net Energy Metering and Billing (Special Condition c below).

SPECIAL CONDITIONS:

- a. Generation Agreement: A Generation Agreement with the customer is required for service under this schedule.
- b. Metering Equipment: Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. If customer's existing electrical meter is not capable of measuring the flow of electricity in two directions, the customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is capable of measuring electricity in both directions. If an additional meter or meters are necessary to monitor the electric generating system performance, the cost to install these meters will be the responsibility of the City.

- c. Net Energy Metering and Billing: Net Energy is defined as measuring the difference between the electricity supplied by the City through the electric grid to the eligible customer-generator and electricity generated by an eligible customer-generator and fed back into the electric grid over a 12-month period. In the event the energy generated exceeds the energy consumed during the 12-month period, payment shall be made for the excess energy delivered to the City's grid at the retail rate at which the customer is receiving regular service. The payment will be based upon the net amount as it relates to the tiers of consumption in the retail rate. If the customer is a net generator over a billing period, the net kilowatt-hours generated shall be valued at the same price per kilowatt-hour as the City would charge for the baseline quantity of electricity during that billing period. In addition, should the number of kilowatt-hours generated exceed the baseline quantity, the excess shall be valued at the same price per kilowatt-hour as the electric service provider would charge for electricity over the baseline quantity during that billing period.

In the event that the electricity supplied by the City during the 12-month period exceeds the electricity generated by the eligible customer-generator during the same period, the eligible customer is a net electricity consumer and the City shall bill the customer for the net consumption during the 12-month period based on the retail price per kilowatt-hour for eligible customer-generator's rate class over the same period.

The City shall provide the customer-generator with net electricity consumption information on each regular bill. That information shall include the current amount owed to the City for the net electricity consumed. Customer-generator may exercise the option to pay monthly for the net energy consumed.

SECTION 2. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 3. This ordinance shall be published one time in the "Lodi News Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi and shall take effect thirty days from and after its passage and approval.

Approved this _____ day of _____, 2003

SUSAN HITCHCOCK
Mayor

Attest:

SUSAN J. BLACKSTON
City Clerk
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State of California
County of San Joaquin, ss.

I, Susan J. Blackston, City Clerk of the City of Lodi, do hereby certify that Ordinance No. _____ was introduced at a regular meeting of the City Council of the City of Lodi held April 16, 2003, and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held _____, 2003 by the following vote:

AYES: COUNCIL MEMBERS –

NOES; COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. _____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

SUSAN J. BLACKSTON
City Clerk

Approved as to Form:

RANDALL A. HAYS
City Attorney



DECLARATION OF POSTING

TO SET PUBLIC HEARING FOR APRIL 16, 2003 TO CONSIDER THE NET ENERGY METERING RATE ORDINANCE (NEM)

On Thursday, March 20, 2003 in the City of Lodi, San Joaquin County, California, a copy of the set public hearing for April 16, 2003 to consider the Net Energy Metering Rate Ordinance (NEM), refer the matter to the Electric Utility Department, and further set a public hearing (attached hereto, marked Exhibit "A") was posted at the following four locations:

Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 20, 2003 at Lodi, California.

ORDERED BY:

**SUSAN J. BLACKSTON
CITY CLERK**

Jacqueline L. Taylor
Deputy City Clerk



Patricia Ochoa
Administrative Clerk

Jennifer M. Perrin
Deputy City Clerk



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: April 16, 2003

Time: 7:00 p.m.

For information regarding this notice please contact:

Susan J. Blackston

City Clerk

Telephone: (209) 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, April 16, 2003** at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a Public Hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) To consider a net energy metering rate ordinance. (EUD)

Information regarding this item may be obtained in the office of the Electric Utility Department, 1331 South Ham Lane, Lodi, California. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, Lodi, California at or prior to the Public Hearing.

By Order of the Lodi City Council:

Susan J. Blackston
City Clerk

Dated: March 19, 2003

Approved as to form:

Randall A. Hays
City Attorney



*Please immediately confirm receipt
of this fax by calling 333-6702*

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PUBLIC HEARING TO CONSIDER A NET ENERGY METERING RATE ORDINANCE

LEGAL AD


PUBLISH DATE: SATURDAY, MARCH 22, 2003

TEAR SHEETS WANTED: Three (3) please

SEND AFFIDAVIT AND BILL TO: SUSAN BLACKSTON, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, MARCH 20, 2003

ORDERED BY:


PATRICIA OCHOA
ADMINISTRATIVE CLERK

JACQUELINE L. TAYLOR
DEPUTY CITY CLERK

JENNIFER M. PERRIN
DEPUTY CITY CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Faxed to the Sentinel at 369-1084 at 11:08 AM (time) on 3/20/03 (date) 2 (pages)
Kelsey 3/20/03 Phoned to confirm receipt of all pages at 11:14 AM (time) Jac PO Patricia Jen (initials)